



Poverty and aging trends in Minnesota – and impacts on the SNAP-eligible population



For the Nutritious Food Coalition

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The State Demographer's Office has a new face



- In March 2012, Susan Brower became the State Demographer, following Tom Gillaspy's retirement after 32 years in this role





What is the role of the MN State Demographic Center?

- Serve as a liaison to the Census Bureau and assist with the decennial census counts
- Create MN population estimates and projections
- Analyze, interpret and distribute data from the state, U.S. Census Bureau and other sources
- Offer data and technical assistance to legislators, all levels of government, organizations and citizens across the state
- Monitor trends and help MN to make data-informed decisions

+ 2 { Poverty & Income Aging

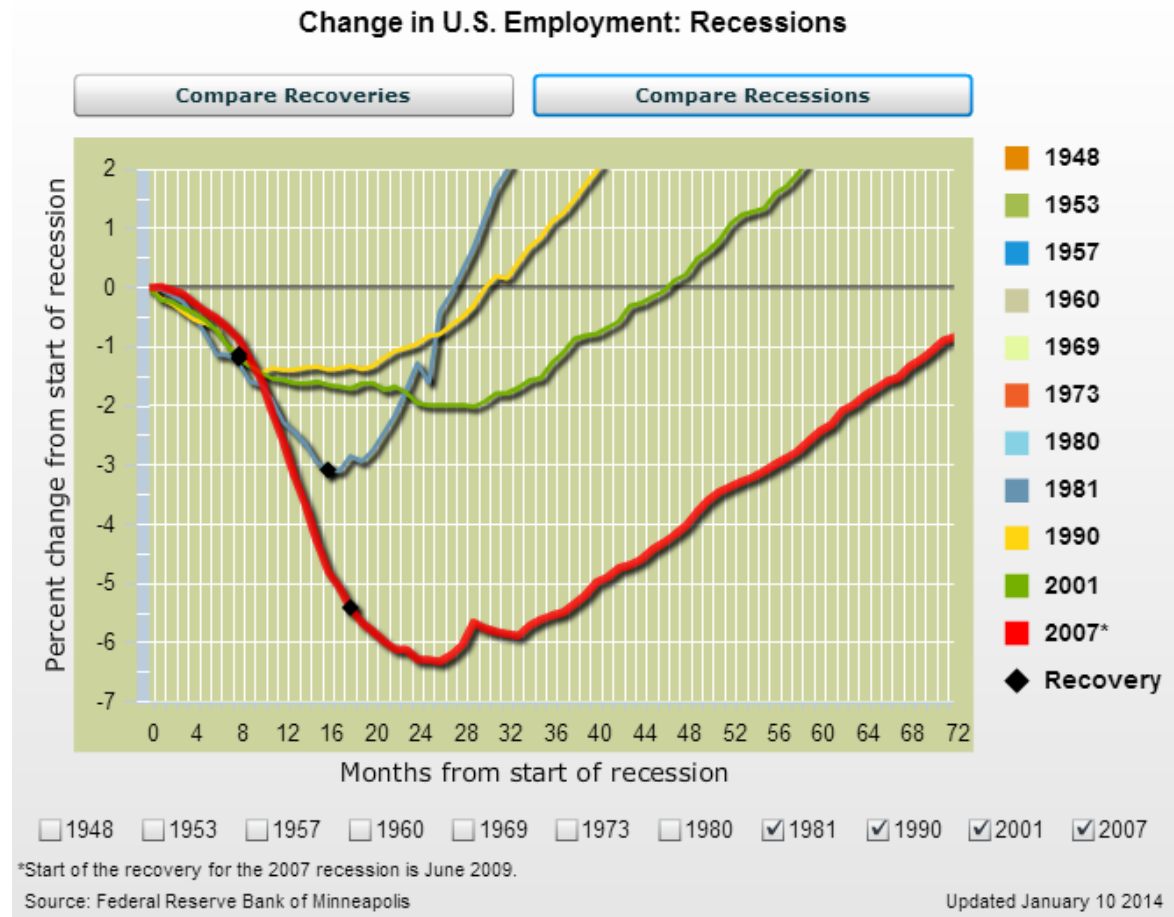
Major trends for Minnesota

Poverty In Minnesota





Still recovering from the longest & deepest recession in our lifetimes



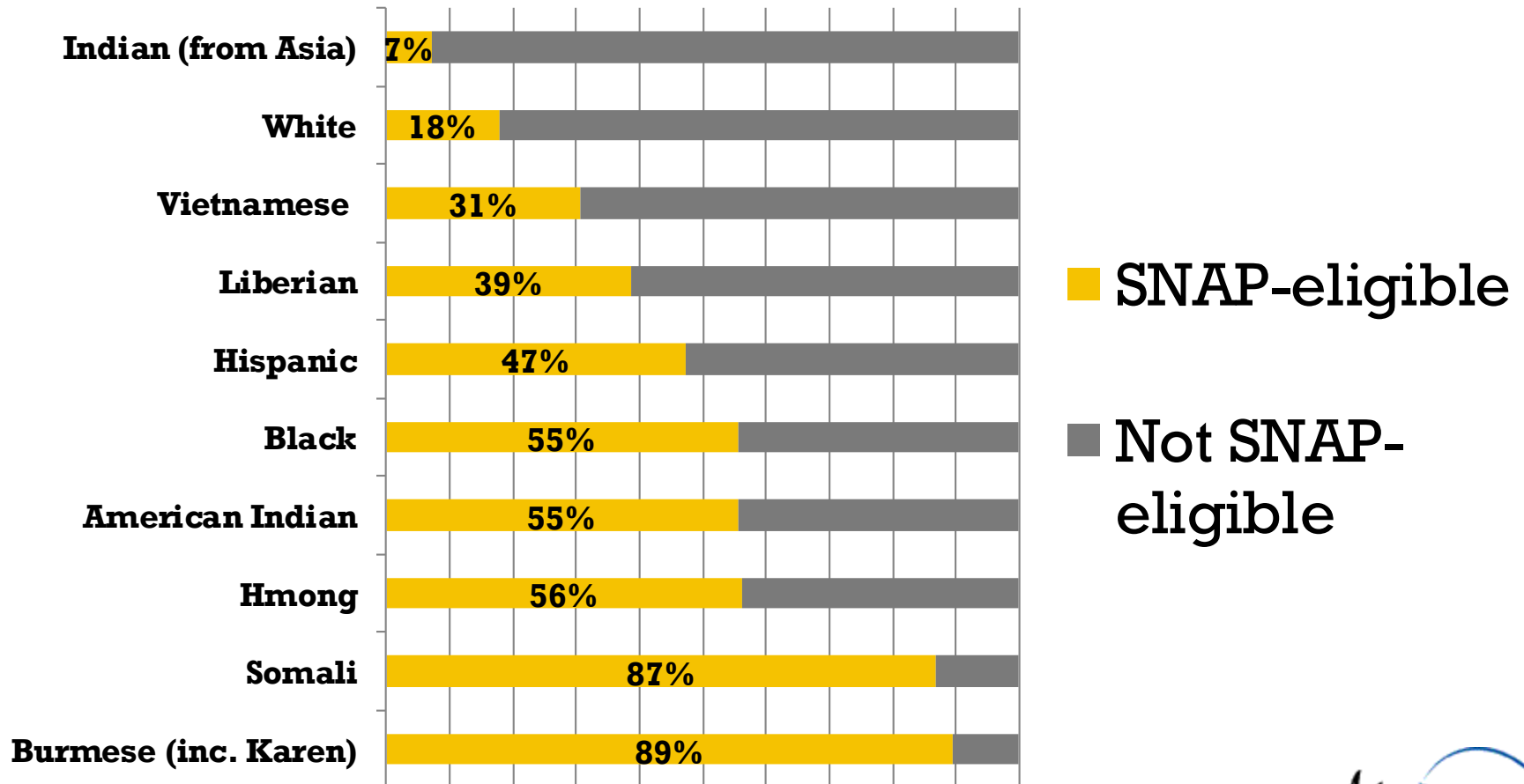


MN is faring better in its recovery than U.S. as a whole

- Jobs back to pre-recession level
- November 2013 Unemployment:
 - MN: 4.1%
 - US: 6.6%



SNAP eligibility by various groups (based on 165% of poverty only)





How do we
measure
poverty?



x 3





How is poverty officially measured?

- Through a Census Bureau survey that asks about pre-tax gross income from all sources
- Federal poverty threshold (line) changes based on who's in the household — number of adults and children, and whether head is 65+
- In 2012, the annual poverty threshold for:
 - 2 adults raising 2 children was: **\$23,300**
 - 1 adult raising 2 children was: **\$18,500**
 - 2 adults age 65+ was: **\$13,900**
 - 1 adult age 65+ was: **\$11,000**



How is poverty officially measured?

■ Shortcomings:

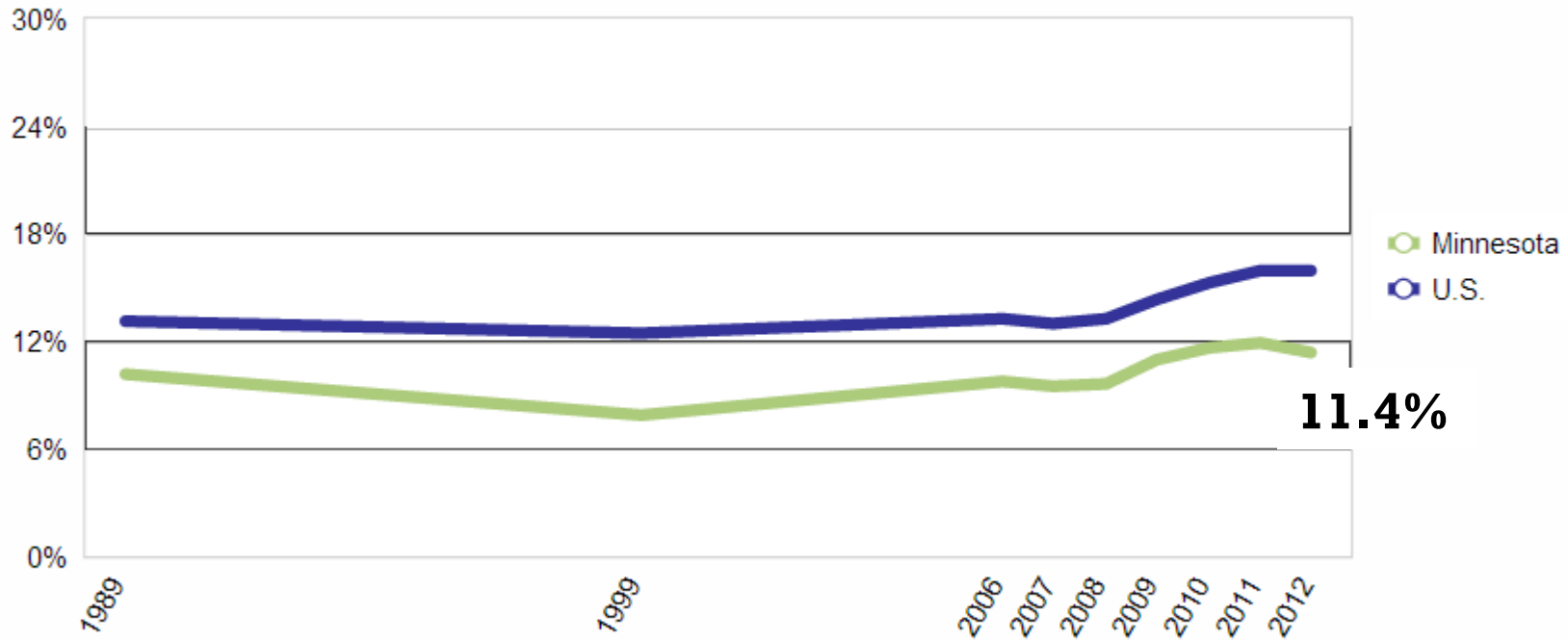
- Doesn't count those in group quarters, such as homeless shelters
- Does not capture impact of public programs that improve economic well-being, such as health care, **SNAP/Food Support**, free and reduced lunches, tax credits or deductions (notably the Earned Income Tax Credit), etc.
- Does not capture necessary expenses that make one “worse off,” such as out-of-pocket medical costs, child care and other work-related expenses
- No geographic variation for housing markets, etc.
- Does not equal the resources needed for a no-frills budget of basic needs



MN poverty just starting to bend downward in 2011-2012

Individuals below the poverty level

Minnesota and U.S., 1989-2012

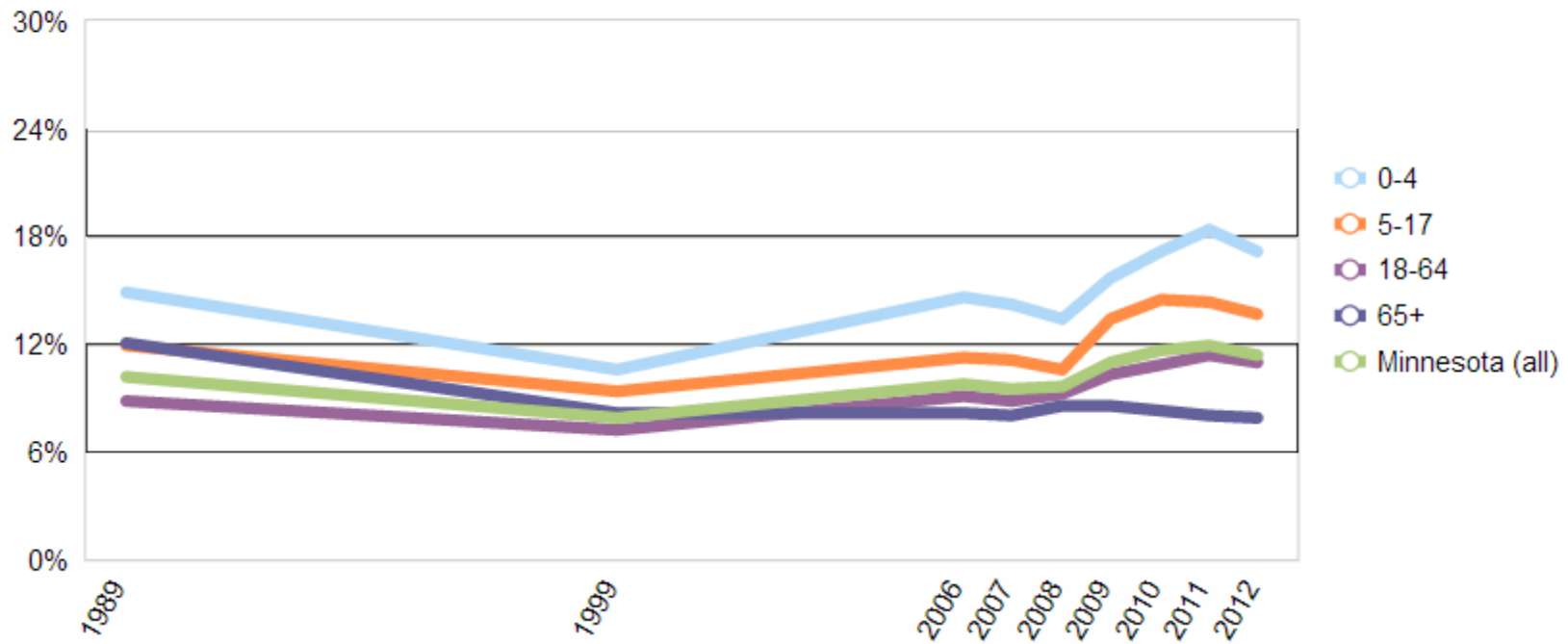


11.4%



Official poverty by age groups in Minnesota

Individuals below the poverty level by age
Minnesota, 1989-2012





Official poverty by age groups in Minnesota

- Nearly 600,000 Minnesotans lived in poverty in 2011-2012
 - About 59,000 young children (under 5)
 - About 125,000 school-age children (5-17)
 - About 360,000 working-age people (18-64)
 - About 55,000 seniors (65+)





Poverty in Minnesota for those under age 18

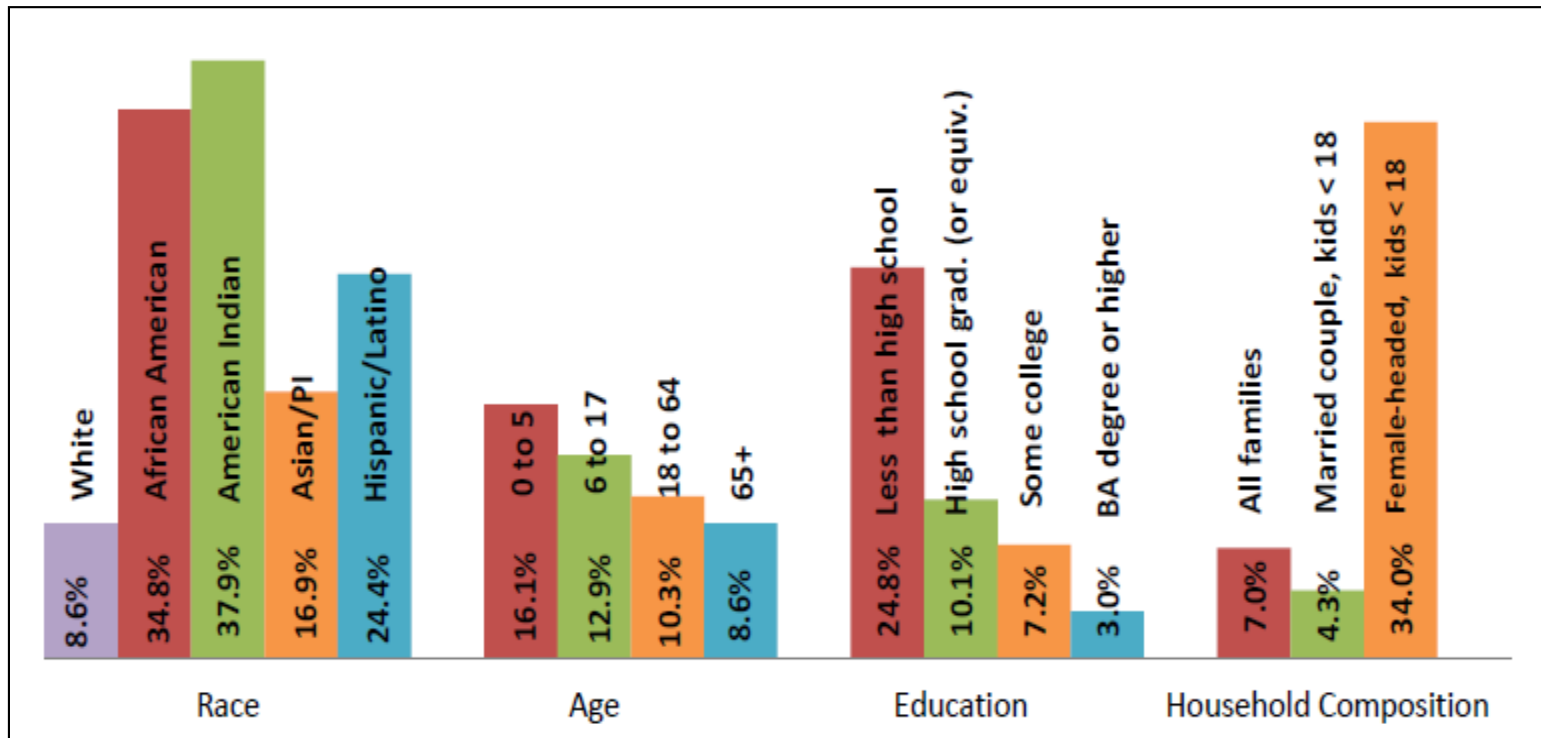
- 5 in 10 Black children,
- 4 in 10 American Indian children
- 3 in 10 Hispanic children
- 2 in 10 Asian children, and
- 1 in 10 White children

LIVED IN POVERTY IN 2012



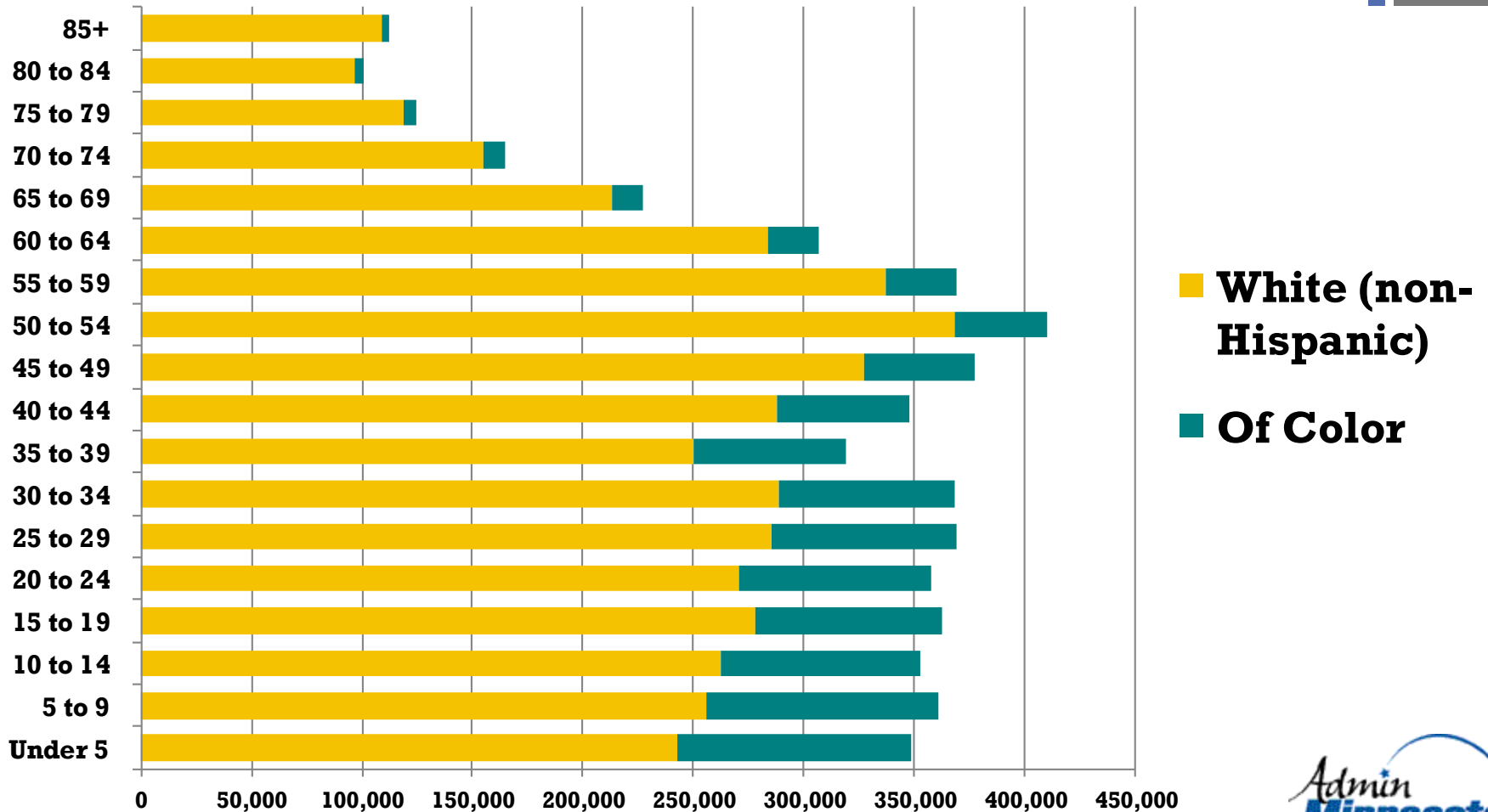
Race, age, education and household type affect likelihood of being poor

Percent in poverty, by characteristic, Minnesota, 2008-2010



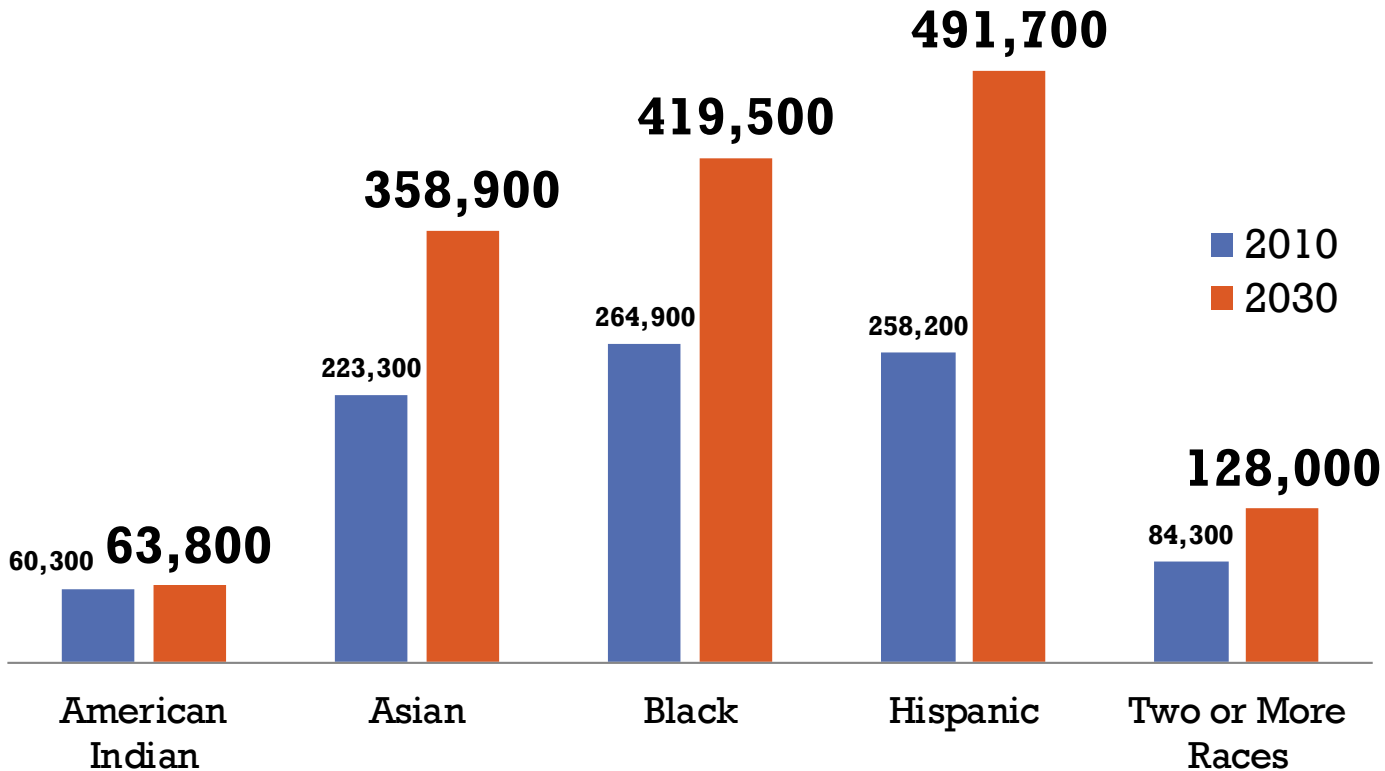


Minnesota's population by age groups, 2012





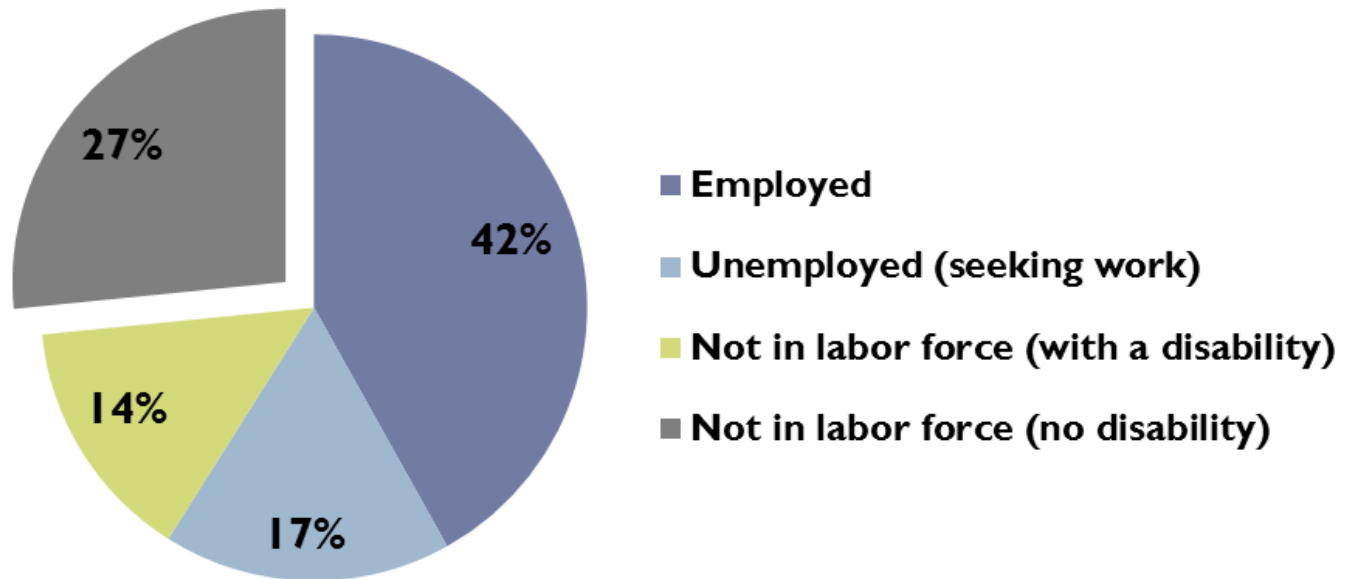
MN: Largest growth among Asian, Black and Hispanic groups by 2030



Source: Minnesota State Demographic Center projections.

MN working-age adults in poverty, 2011

**Working-age (20-64) population in poverty,
by labor force status and disability**

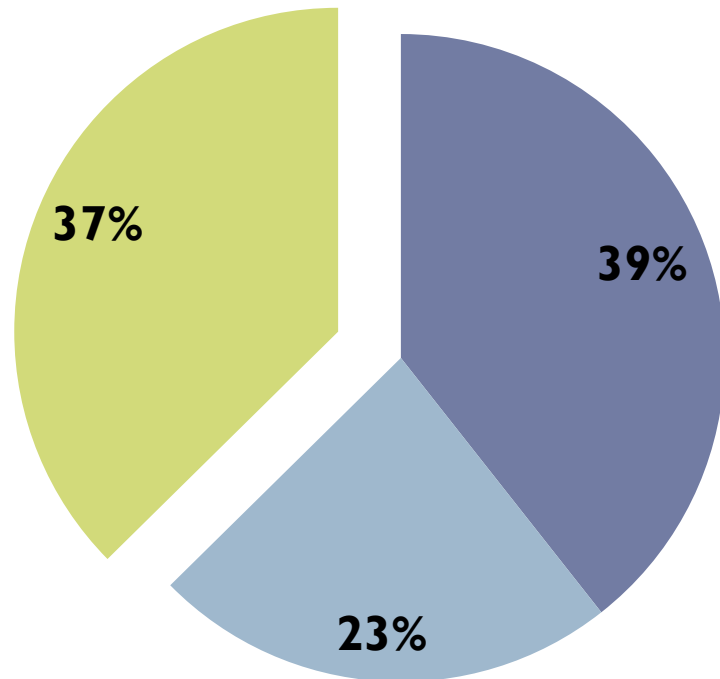


- Almost 3/4ths of MN adults in poverty are working, seeking work, or disabled. About 1/4th of adults in poverty are not in the labor force and do not report a disability for themselves.



Two-thirds of MN's children in poverty have working parent(s)

Children in poverty in MN by parents' work status, 2009-2011

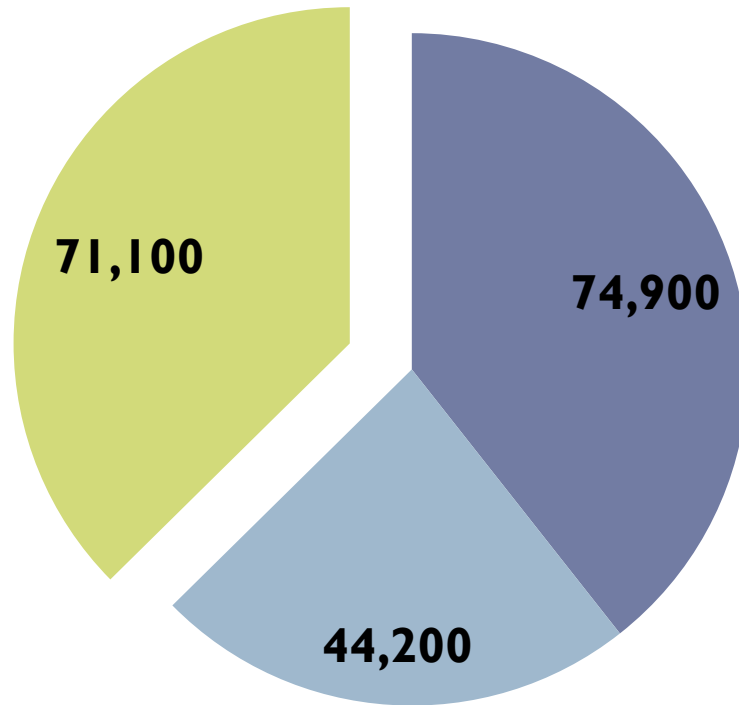


- Children with one or both parents working full-time (35+ hours)
- Children with one or both parents working part-time (20-34 hours), neither full-time
- Children with neither parent working full- or part-time



About 71,000 children in poverty do not have a parent working

Children in poverty in MN by parents' work status, 2009-2011



- Children with one or both parents working full-time (35+ hours)
- Children with one or both parents working part-time (20-34 hours), neither full-time
- Children with neither parent working full- or part-time



Many people move in and out of “poverty” frequently

- Almost 1/3 of Americans lived in poverty for at least 2 months in a row (during 2009-2011)
- Median time in poverty was about 7 months
- 12.6 million people in poverty in 2009 were out of poverty in 2011.
- This churning underscores the need for continued education and outreach!

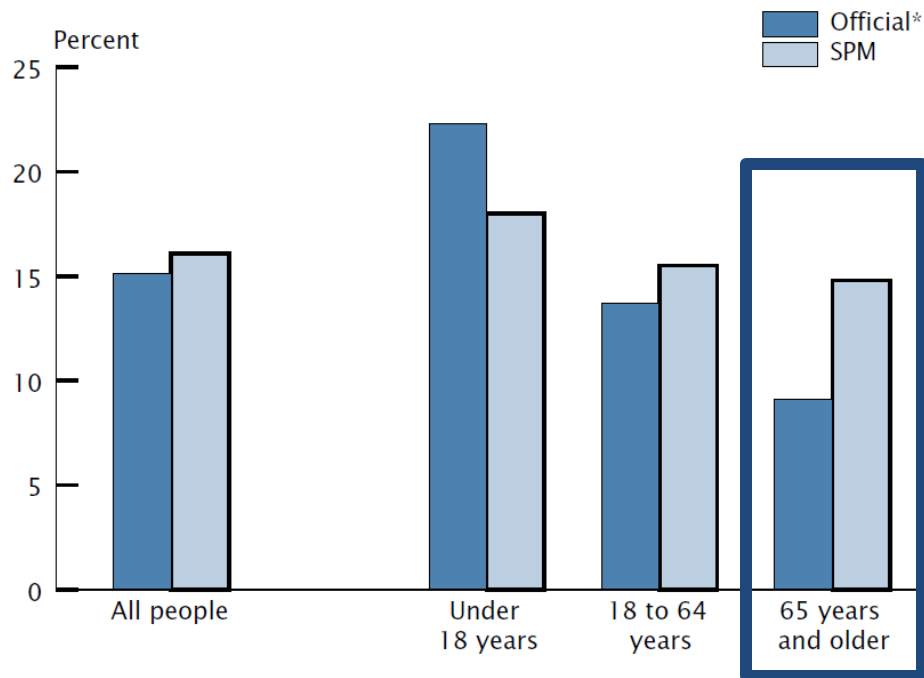
Source: U.S. Census Bureau, Survey of Income and Program Participation (SIPP).
<http://www.census.gov/prod/2014pubs/p70-137.pdf>

New, refined measure of economic hardship: the Supplemental Poverty Measure (SPM)

- Addresses many shortcomings of official measure
- SPM changes who is in poverty
 - *More* likely to be in poverty under the SPM:
 - Many of those 65+ (high medical out-of-pocket costs)
 - Those who are working (transportation, child care costs taken into account)
 - Children *less* likely to be in poverty under SPM (beneficiaries of many of our public programs to relieve hardship), but still most likely to be poor group

SPM: 65+ more likely to experience true economic hardship than we thought

Figure 1.
Poverty Rates Using Two Measures for Total Population by Age Group: 2012



*Includes unrelated individuals under the age of 15.

Source: U.S. Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement.



Source: U.S. Census Bureau, November 2013, The Research Supplemental Poverty Measure: 2012
Report P60-247



What makes people *enter* poverty?

- The most common event triggering a poverty episode is a job loss or pay cut (40-50% of those who become poor)
- Other events triggering poverty entry are the addition of a child to the household, the shift from a two-parent household to a single female-headed one, or a change in the disability status of a household head

Source: Greater Twin Cities United Way, Faces of Poverty 2012 report.



What makes people *exit* poverty?

- Generally, between 50 and 70 percent of those leaving poverty do so because they, or a family member, obtained employment or had increased earnings.
- Educational gains, such as degrees or certificate, contribute to increased earnings

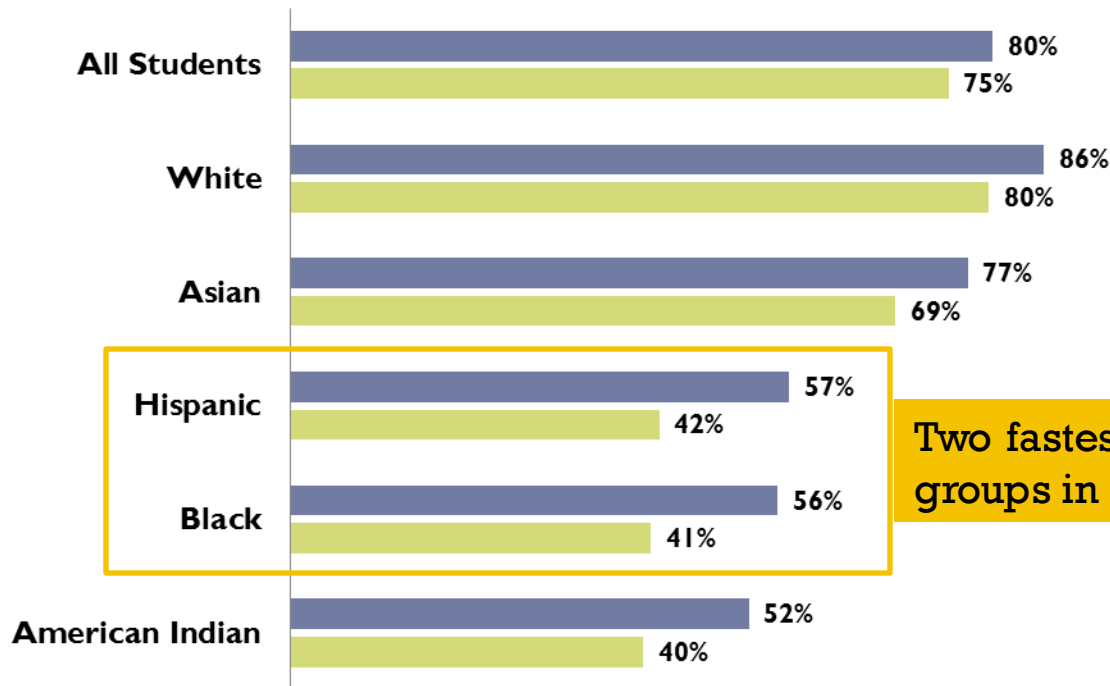
Source: Greater Twin Cities United Way, Faces of Poverty 2012 report.



Gains in high school graduation... But still a long way to go

Percent graduating after 6 years of high school, MN public schools, by student race

■ 2012 ■ 2003



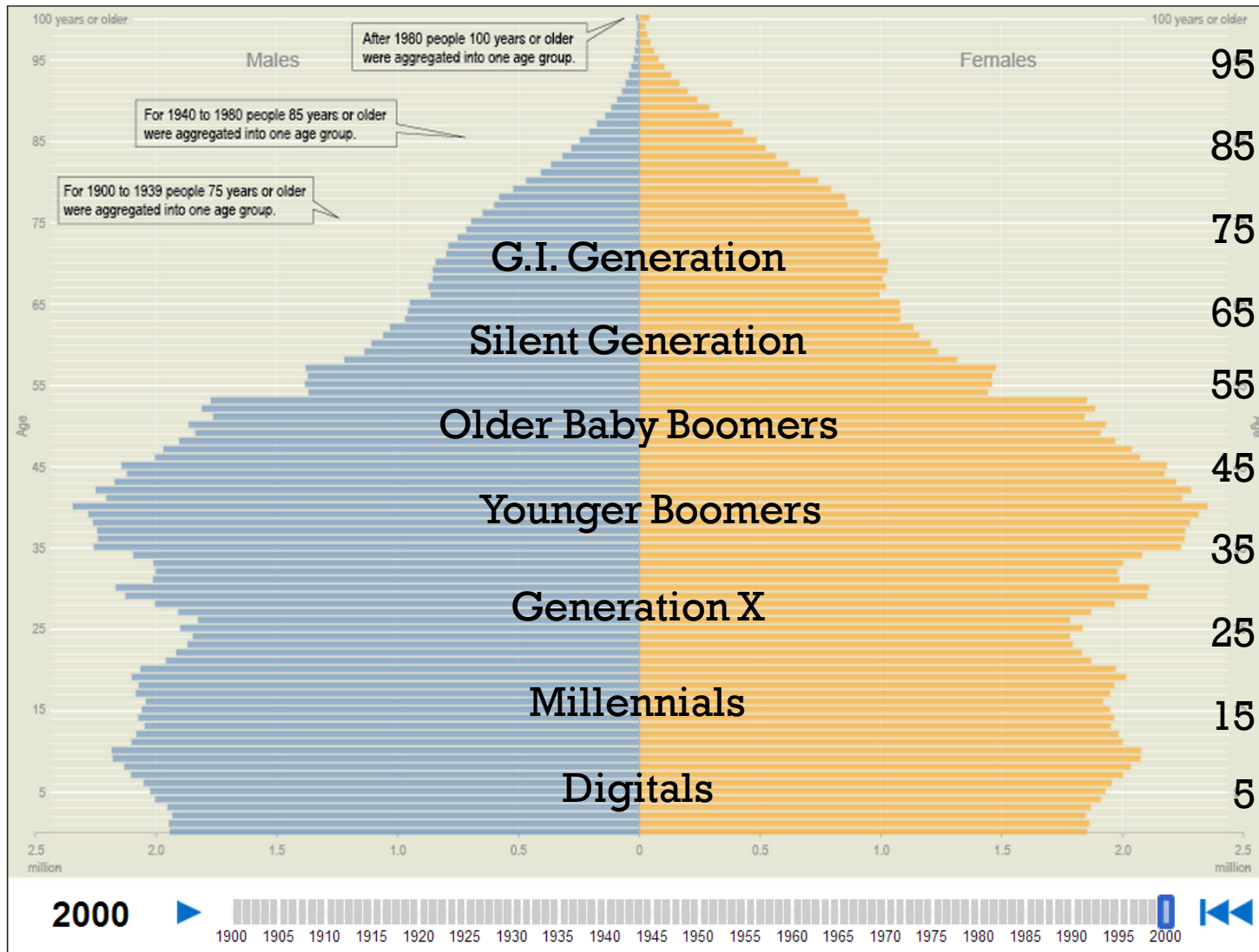
Two fastest growing demographic groups in MN



Aging

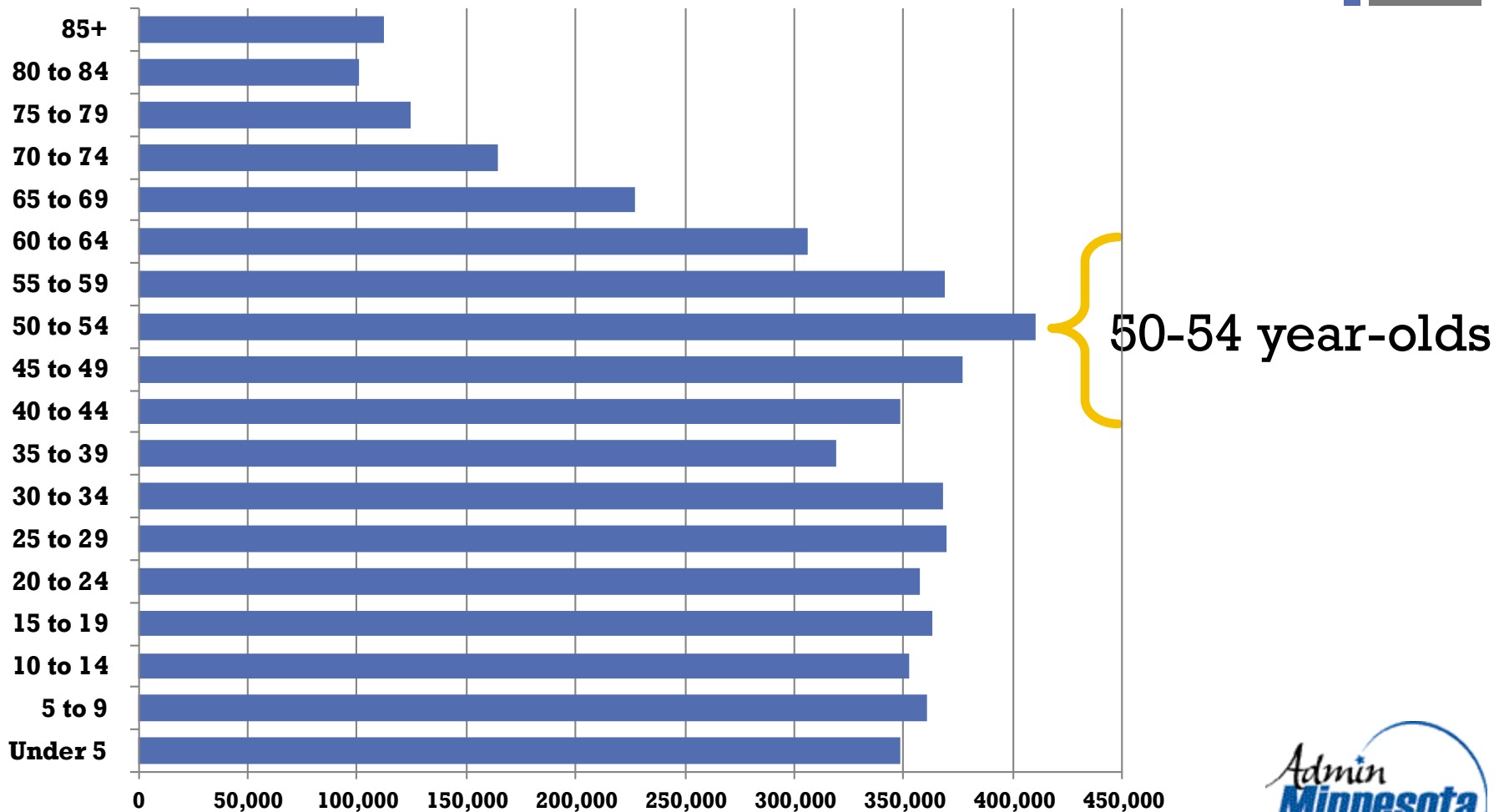


The nation in 2000



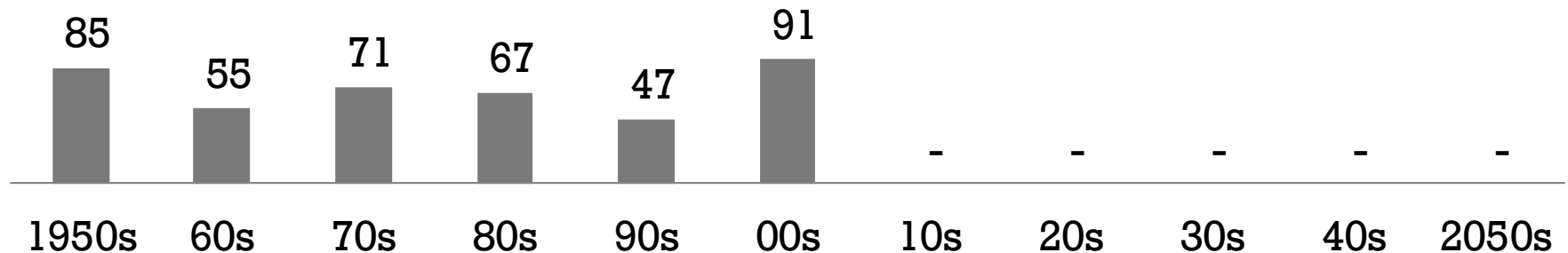


Minnesota's population by age groups, 2012



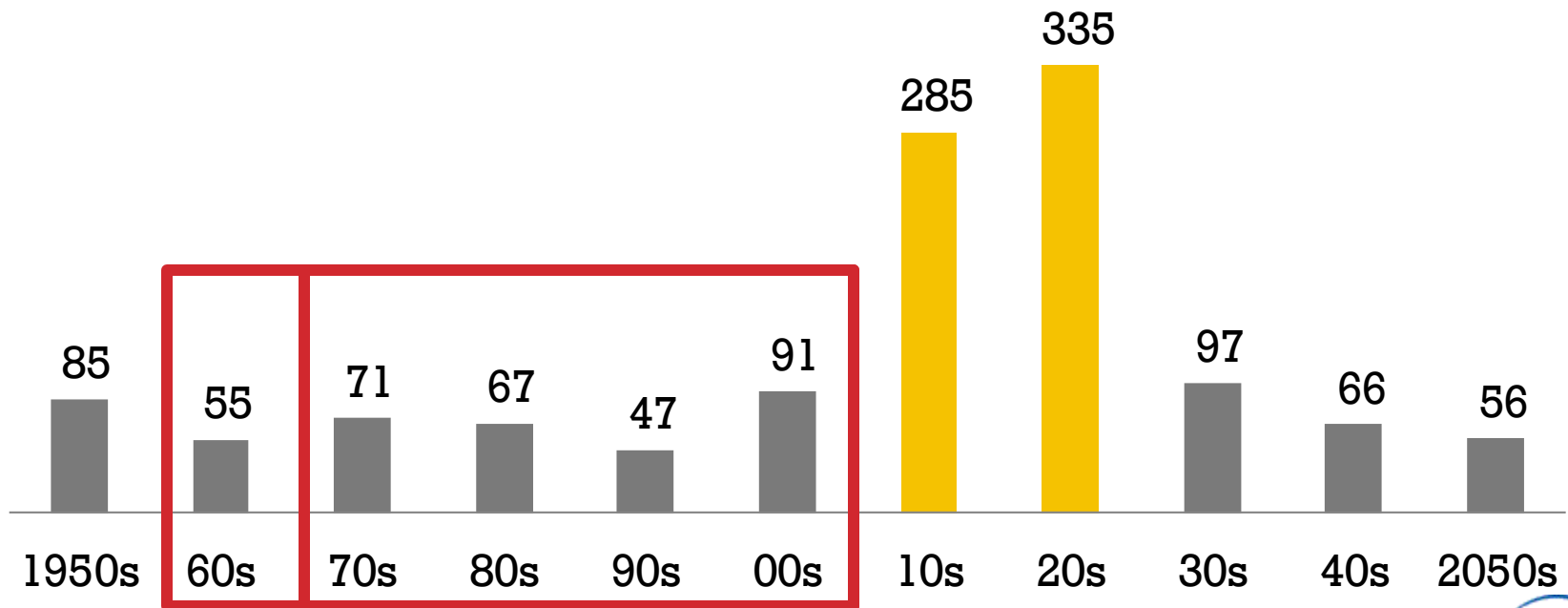
+ How many additional “older adults” will we gain during this decade?

Change in older adults, age 65+ (Thousands)



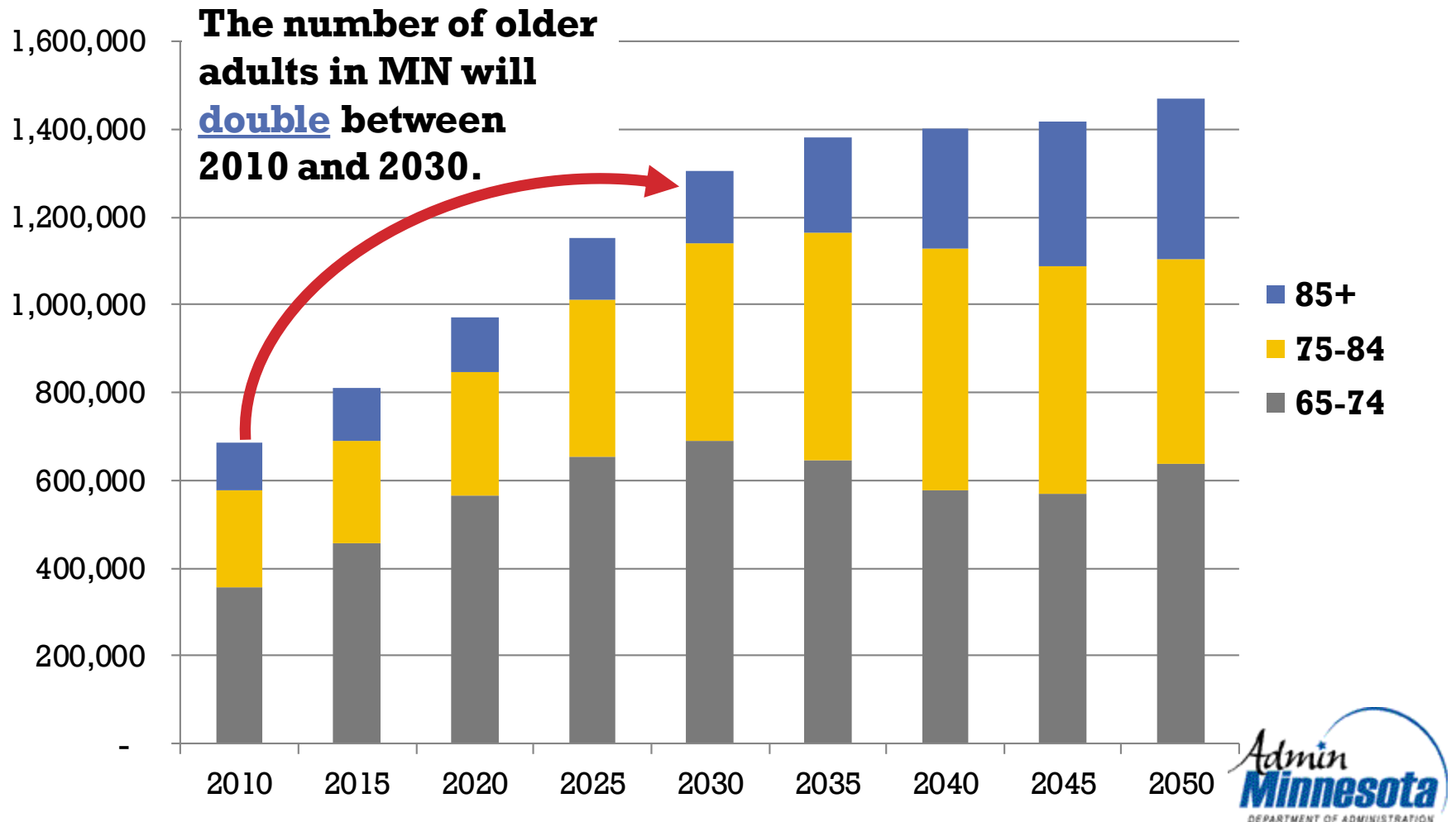
+ This decade and next: *Unprecedented* increases in MN's 65+ population

Change in older adults, age 65+ (in thousands)



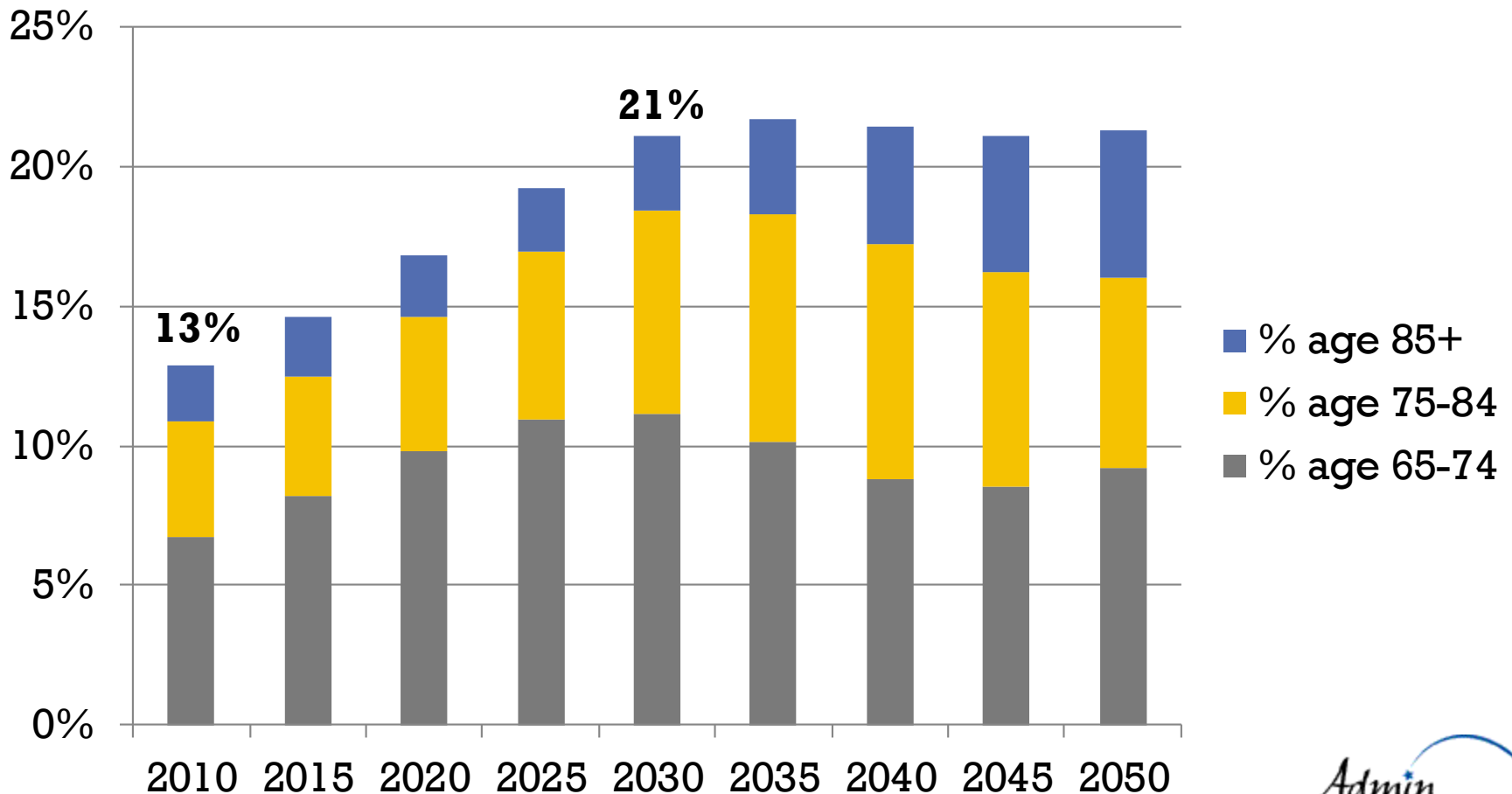


Older adults in Minnesota by age cohort, 2010-2050



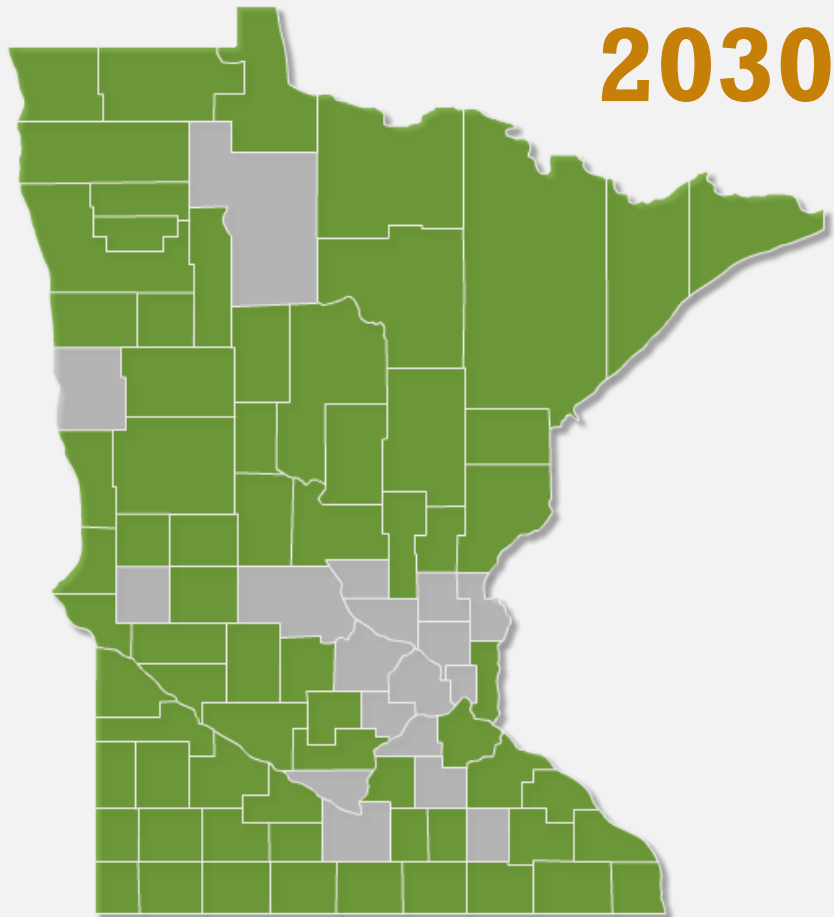


By 2030, more than 1 in 5 Minnesotans will be 65+, including all Baby Boomers





By 2030, only a handful of counties will not have 1 in 5 older adults

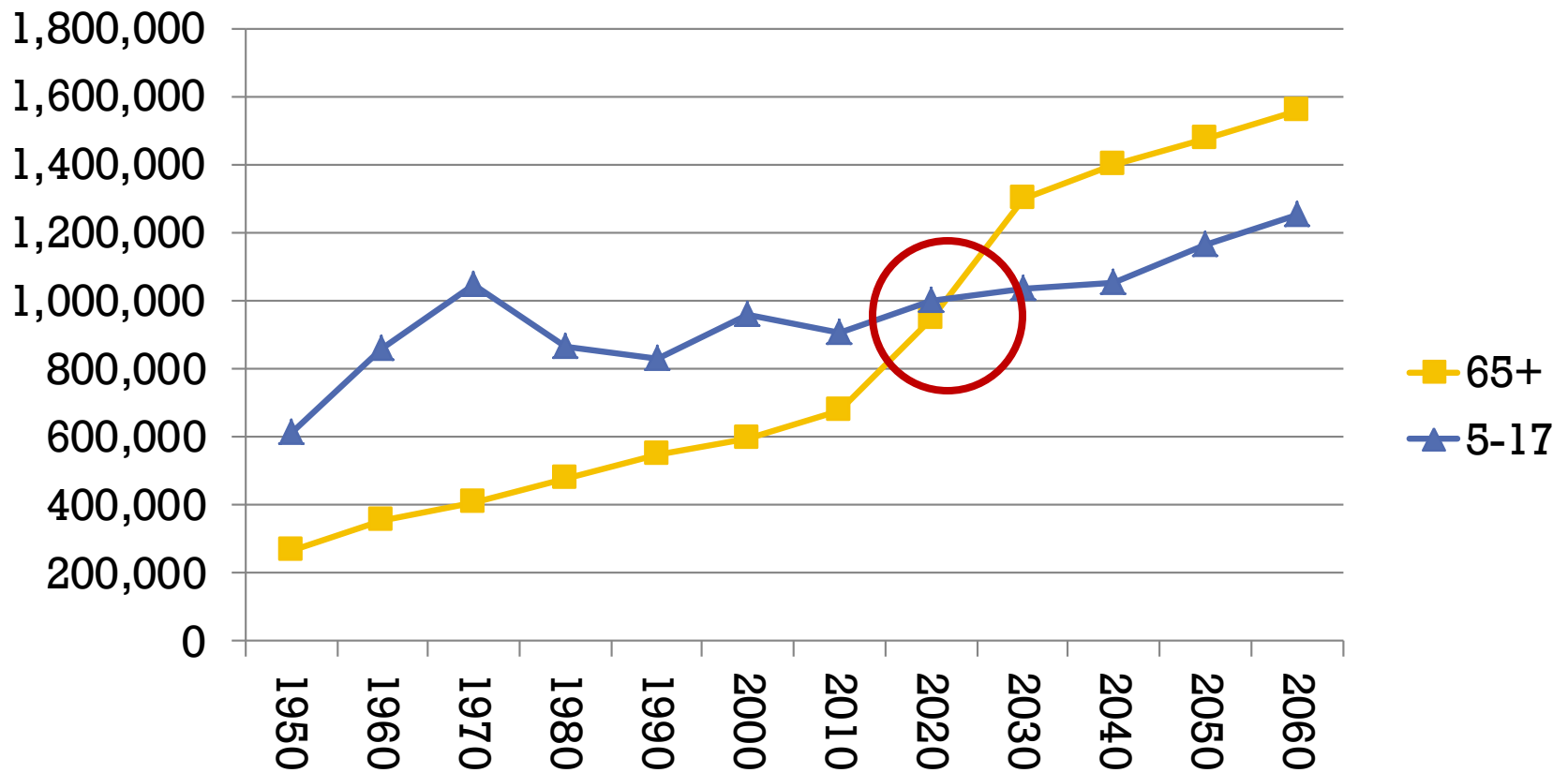


More than 1 in 5 people age 65 or older:

- In 22 counties (2010)
- In 48 counties (2020)
- In 69 counties (2030)



For the first time in MN history: More 65+ than school-age by 2020



+ Positive implications of an aging state

- Babysitting!
- Reduced crime
- Mentoring
- Volunteerism
 - 2nd only to Iowa in percent of those 65+ volunteering among states





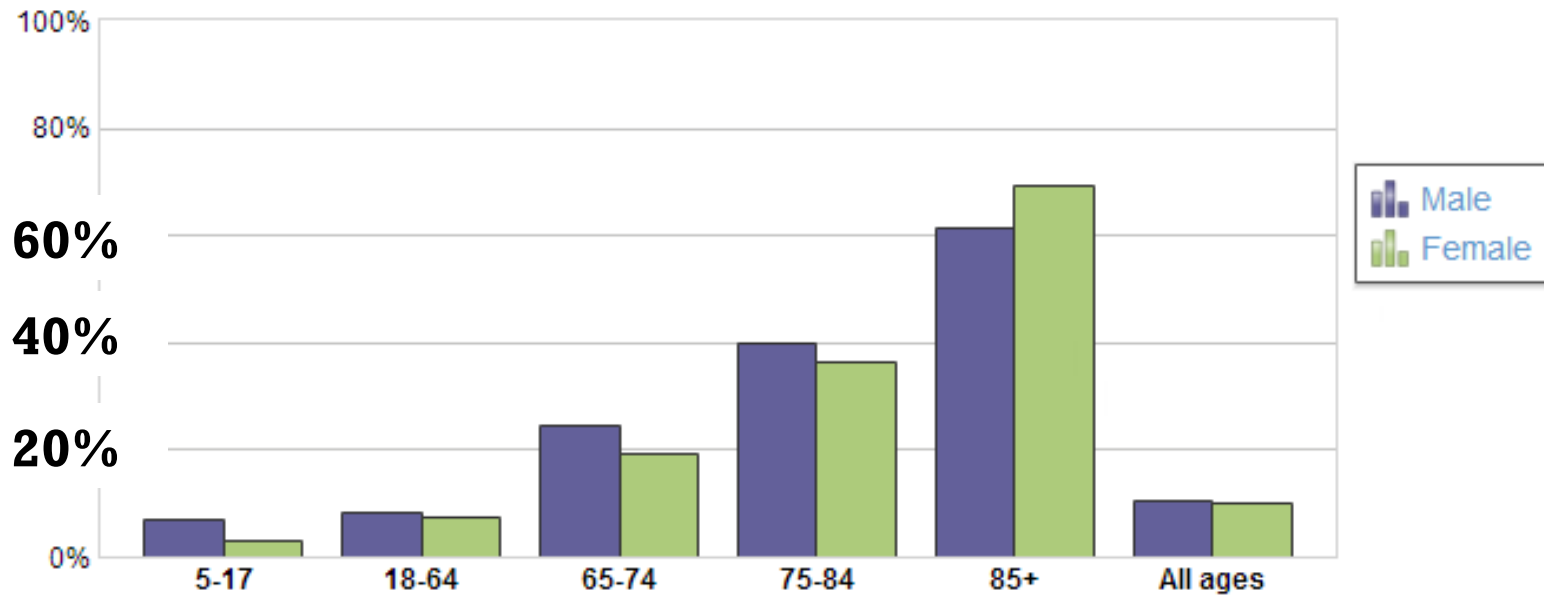
Challenges related to our aging population

- Will we have or create sufficient **infrastructure** for more transportation, caregiving, health care, and social support needs, as **health challenges and disabilities increase**, especially when children live far away?
- Will we be able to **finance needed services**, especially long-term care?
- Will we have enough workers to form a strong, skilled, highly **productive labor force** as the Boomers retire — for economic growth, tax revenues, and a high quality of life in MN



Aging brings rising rates of disability *among those living in the community*

Percent with a disability by gender and age
Minnesota, 2011



Sources: U.S. Census Bureau, American Community Survey, via MNCompass.org.

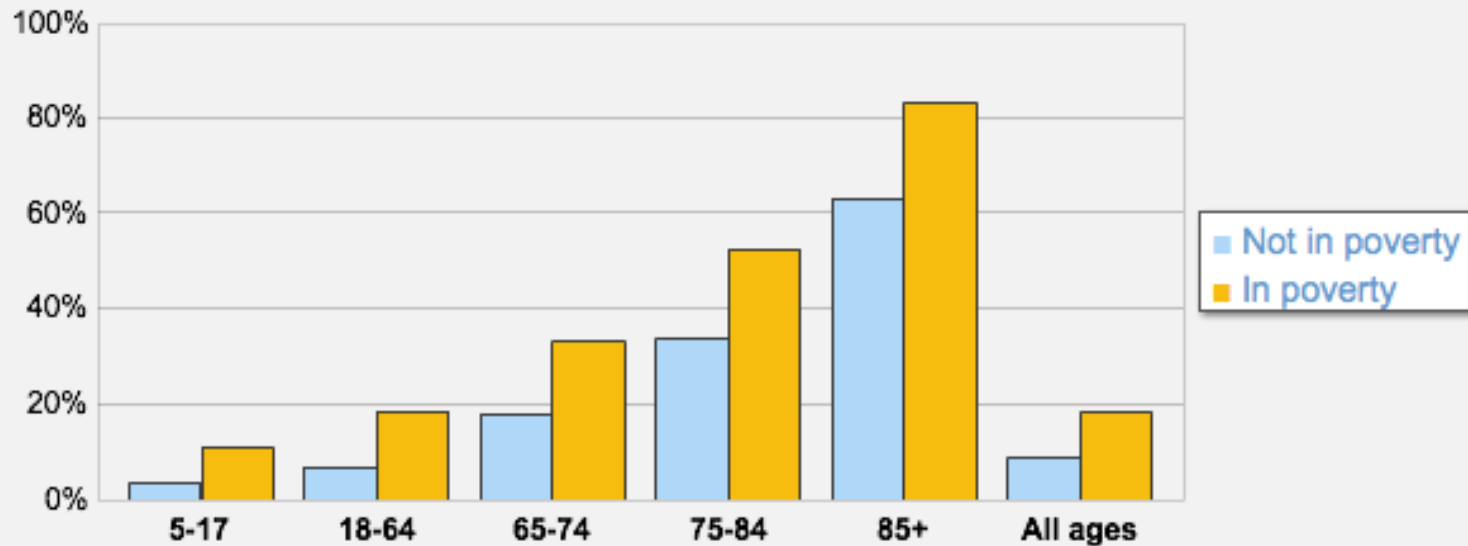
Note: Relates only to the civilian, non-institutionalized population with a serious difficulty in one or more of four basic areas of functioning: vision, hearing, ambulation, and cognition.



Rising rates of disability also go hand in hand with poverty (unfortunately)

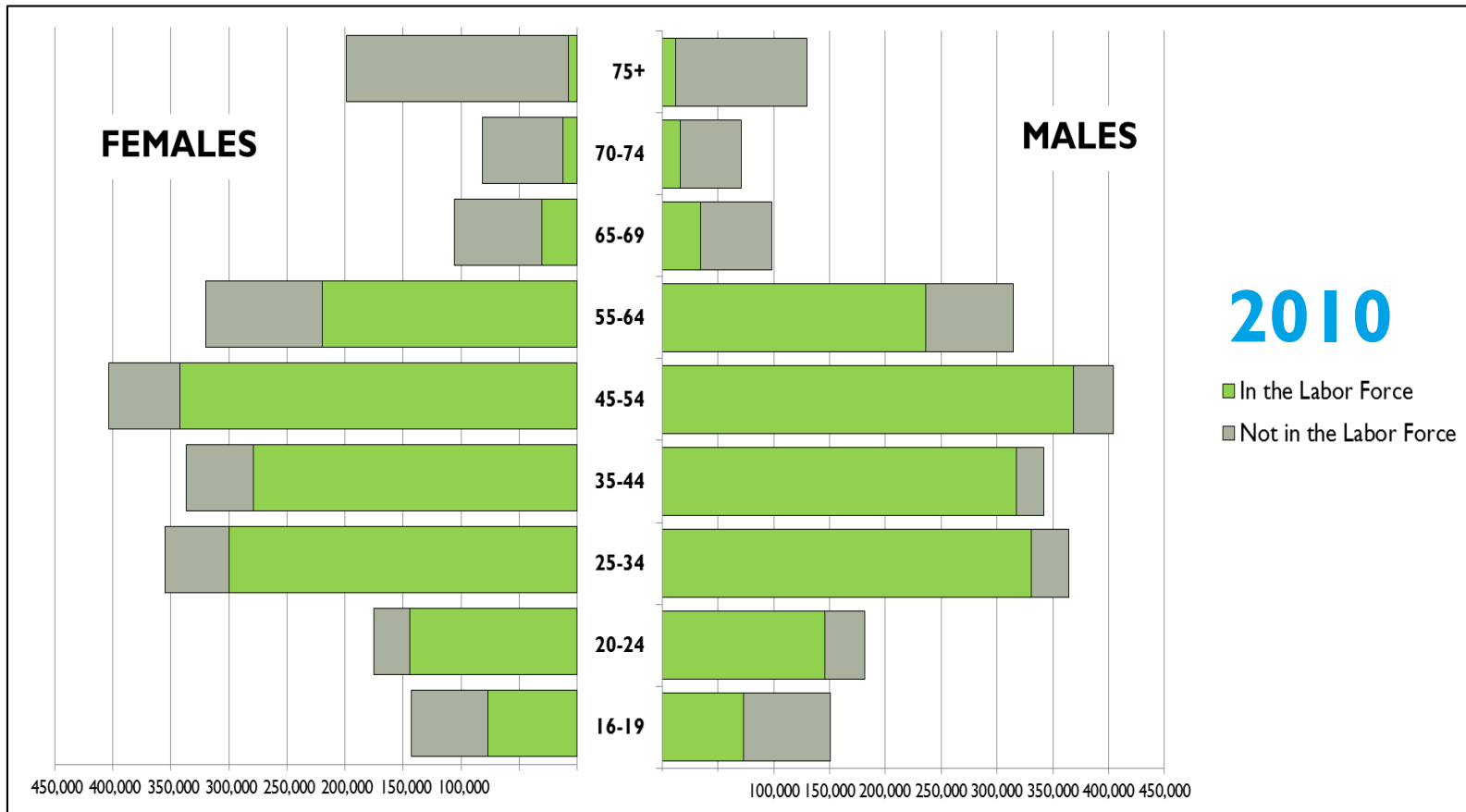
Percent with a disability by poverty status and age

Minnesota, 2010



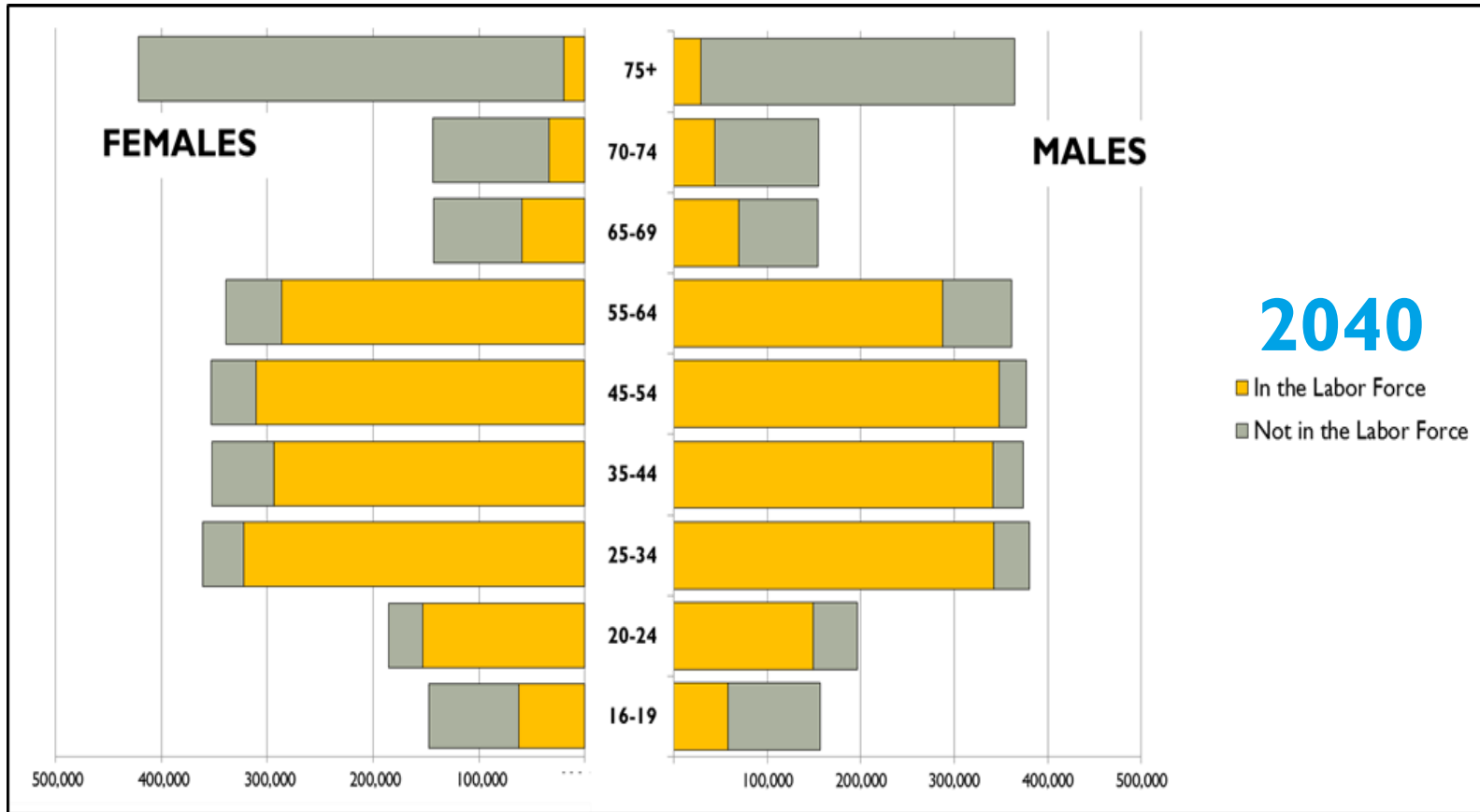


Population in (and out of) the labor force in 2010





Population in (and out of) the labor force in 2040 (projected)





Shadow of the Boomers

New report highlighting
population and labor force
projections

Released Dec. 31, 2013

Online at

www.demography.state.mn.us

-or- bit.ly/19MQjaV

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In the shadow of
the Boomers:
Minnesota's labor
force outlook



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DECEMBER 2013



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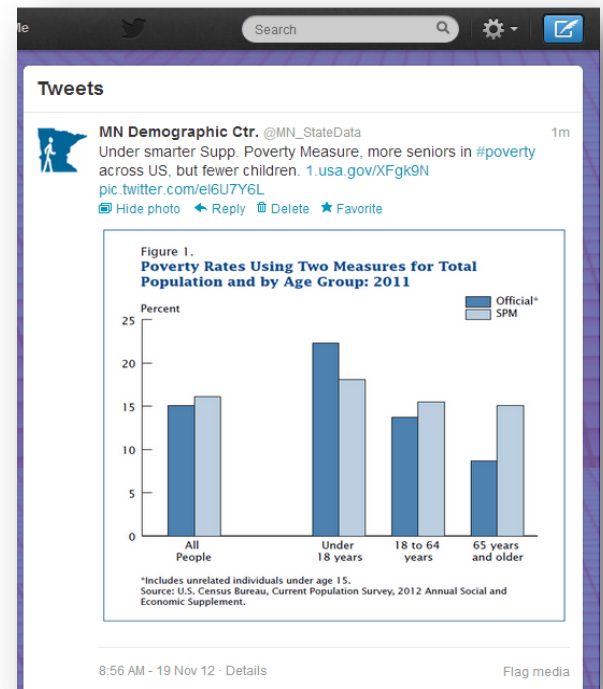
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Questions?
Comments?

Thank you!



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